

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17459
[REDACTED],)	
)	DECISION
Petitioners.)	
_____)	

On May 20, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable year 1997 in the amount of \$1,591.

The taxpayers filed a timely protest. They did not request a hearing but did submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayers failed to file Idaho individual income tax returns for tax years 1997 through 2001 even though they were Idaho residents the entire period. [Redacted].

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers did not file their 1997 state income tax return, the Bureau prepared a provisional return and issued a deficiency notice. [Redacted] Withholding that was identified in

Tax Commission records was credited to offset a portion of the resulting tax.

[Redacted] The Bureau sent the taxpayers a modified report explaining the changes along with a letter wherein the taxpayers were given the opportunity to withdraw their protest.

Neither of the taxpayers responded and their file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. They did not answer an additional letter that advised them of their appeal rights.

For tax years 1997 through 2001, the taxpayers did not file Idaho income tax returns. However, [Redacted] information verifies the taxpayers did not have a filing requirement for any year except 1997. Unlike subsequent years, the taxpayers' 1997 taxable income exceeded the limit allowed to avoid filing an income tax return for the year. It appeared the difference in income was the result of a \$9,593 distribution the taxpayers received in 1997.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have submitted nothing that would cast doubt on the Bureau's amended calculations that were based on the information [Redacted] submitted by the taxpayers. The Bureau properly included penalty and interest in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated May 20, 2003, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for 1997:

TAX
\$139

PENALTY
\$35

INTEREST
\$55

TOTAL
\$229

Interest is computed through November 1, 2003.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2003.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2003, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
